

PATENT



#5
217916-02

ATTORNEY DOCKET NO.:D3398-00033 CIP

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Aguais et al.

Serial No.: 10/051,905 Group Art Unit: 2171

Filed: January 17, 2002 Examiner: not assigned

For: System and Methods for Valuing and Managing the Risk of Credit Instrument Portfolios

I CERTIFY THAT THIS CORRESPONDENCE IS BEING DEPOSITED WITH THE U.S. POSTAL SERVICE AS FIRST CLASS MAIL IN AN ENVELOPE ADDRESSED TO THE ASSISTANT COMMISSIONER FOR PATENTS, WASHINGTON, D.C. 20231

ON June 18, 2002

Steven E. Koffe

RECEIVED

JUN 27 2002

Technology Center 2100

Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

INFORMATION DISCLOSURE STATEMENT TRANSMITTAL LETTER

Enclosed herewith is an Information Disclosure Statement pursuant to 37 CFR. § 1.56 in connection with the above-identified application, which statement is being filed:

- Together with the present application.
- Before the first Office Action on the merits or three (3) months from the filing date of this application, whichever occurs last. [37 CFR § 1.97(b)]
- After the first Office Action on the merits, but before a Final Office Action under §1.113 or Notice of Allowance under §1.311, whichever occurs first. [37 CFR § 1.97(c)]. (Either the fee or certification is provided, as set forth below)

- [] After a Final Office Action under §1.113 or Notice of Allowance under §1.311, but prior to or with payment of the Issue Fee. [37 CFR § 1.97(d)]. The fee and certification are provided, as set forth below).

Consistent with Applicant's obligations pursuant to 37 CFR §§1.97 and 1.98, the following requirements have been met:

- [X] No separate requirements are needed.
[X] No additional fee is required.

[] **Fee Under 37 CFR § 1.97(c) or 1.97(d)**

The fee of \$180.00 for submission of an IDS under § 1.97(c) as set forth in § 1.17(p) accompanies this statement.

[] **Certification Under 37 CFR § 1.97(e)**

The undersigned certifies:

- [] 1 that each item of information contained in the information disclosure statement was first cited in a communication from a foreign patent office in a counterpart foreign application not more than three months prior to the filing of the information disclosure statement; or
- [] 2 that no item of information contained in the information disclosure statement was cited in a communication from a foreign patent office in a counterpart foreign application, and, to the knowledge of the person signing the statement after making reasonable inquiry, no item of information contained in the information disclosure statement was known to any individual designated in §1.56(c) more than three months prior to the filing of the information disclosure statement.

Provision of Copies of References

- [X] A copy of each of the references listed on the attached Form PTO-1449 is enclosed herewith and forms a part hereof.
- [] A translation of Reference__ is enclosed herewith and forms a part hereof.

- A copy of the European Search Report from a corresponding or related EPO application is enclosed herewith.
- A copy of the International Search Report from a corresponding or related PCT application is enclosed herewith.

Identification of Prior Application(s) In Which Listed Information Was Already Cited And For Which No Copies Are Submitted Or Need Be Submitted

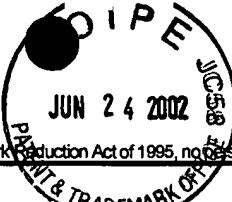
- This application relies, under 35 U.S.C. § 120, on the earlier filing date of prior U.S. Application No(s). , filed . The following references were submitted to, and/or cited by, the Office in the prior application(s) and therefore are not required to be provided in this application:
- The Commissioner is hereby authorized to charge any fees associated with this communication or credit any overpayment to Deposit Account No. 04-1679.

Respectfully submitted,

Date: 6/18/02


STEVEN E. KOFFS
Registration No. 37,163

DUANE MORRIS LLP
One Liberty Place
Philadelphia, PA 19103-7396
215-979-1250 tel
215-979-1020 fax



Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

FTU/SB/UOA (10-01)

Approved for use through 10/31/2002. OMB 0651-0031
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Substitute for form 1449A/PTO

INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(use as many sheets as necessary)

Sheet

of 5

1

<i>Complete if Known</i>	
Application Number	10/051,905
Filing Date	January 17, 2002
First Named Inventor	AGUAIS, Scott et al.
Group Art Unit	N/A
Examiner Name	N/A
Attorney Docket Number	D3398-00033CIP

U.S. PATENT DOCUMENTS

RECEIVED

JUN 27 2002

Technology Center 2

FOREIGN PATENT DOCUMENTS

Examiner Signature		Date Considered	
-----------------------	--	--------------------	--

EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

¹ Applicant's unique citation designation number (optional). ² See Kinds Codes of USPTO Patent Documents at www.uspto.gov or MPEP 901.04.

³ Enter Office that issued the document, by the two-letter code (WIPO Standard ST.3). ⁴ For Japanese patent documents, the indication of the year of the reign of the Emperor must precede the serial number of the patent document. ⁵ Kind of document by the appropriate symbols as indicated on the document under WIPO Standard ST. 16 if possible. ⁶ Applicant is to place a check mark here if English language Translation is attached.

Burden Hour Statement: This form is estimated to take 2.0 hours to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.



PTO/SB/08A (10-01)

Approved for use through 10/31/2002. OMB 0651-0031

U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number

Substitute for form 1449A/PTO

INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(use as many sheets as necessary)

Sheet

2

of

5

Complete if Known

Application Number	10/051,905
Filing Date	January 17, 2002
First Named Inventor	AGUAIS, Scott et al.
Group Art Unit	N/A
Examiner Name	N/A

Attorney Docket Number D3398-00033CIP

OTHER PRIOR ART -- NON PATENT LITERATURE DOCUMENTS

Examiner Initials *	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T ²
		AGUAIS et al., "Creating value from both loan structure and price", Commercial Lending Review, 1998, 13(2): 13-24.	
		AGUAIS et al., "Incorporating new fixed income approaches into commercial loan valuation", Journal of Lending and Credit Risk Management, 1998, v.80(6): 58-65.	
		AGUAIS, S. and L. Forest, "The Future of Risk-Adjusted Credit Pricing in Financial Institutions", The RMA Journal, November, 2000, 26-31.	
		AGUAIS, S., L. Forest and D. Rosen, "Building a Credit Risk Valuation Framework for Loan Instruments", ARQ, December, 2000, 3(3): 21-46.	
		ASARNOW, E., 1994, "Measuring the hidden risks in corporate loans", Commercial Lending Review, 10(1): 24-32.	
		AZIZ, A., 1999a, "Algo Academy Notes", Algo Research Quarterly, 2(1): 65-72.	
		AZIZ, A., 1999b, "Algo Academy Notes", Algo Research Quarterly, 2(2): 51-60.	
		AZIZ, A., 2000, "Algo Academy Notes", Algo Research Quarterly, 3(3): 59-66.	
		Bank for International Settlements, 1988, International Convergence of Capital Measurement and Capital Standards, Basel Committee on Banking Supervision, July, 58-82.	
		Bank for International Settlements, 1999, "A new capital adequacy framework", Consultative Paper, Basel Committee on Banking Supervision, June.	
		BELKIN, B., S. J. Suchower and L. Forest, 1998, The effect of systematic credit risk on loan portfolio value-at-risk and loan pricing, CreditMetrics Monitor, April: 17-28.	

Examiner Signature

Date Considered

RECEIVED

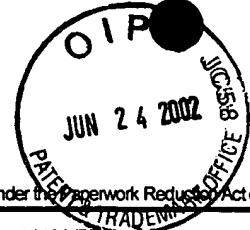
JUN 27 2002

Technology Center 2100

EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

¹ Unique citation designation number (optional). ² Applicant is to place a check mark here if English language Translation is attached.

Burden Hour Statement: This form is estimated to take 2.0 hours to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.



PTO/SB/08A (10-01)
Approved for use through 10/31/2002. OMB 0651-0031
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number

Substitute for form 1449A/PTO

INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(use as many sheets as necessary)

Sheet

3 of 5

Complete if Known	
Application Number	10/051,905
Filing Date	January 17, 2002
First Named Inventor	AGUAIS, Scott et al.
Group Art Unit	N/A
Examiner Name	N/A

Attorney Docket Number D3398-00033CIP

OTHER PRIOR ART -- NON PATENT LITERATURE DOCUMENTS

Examiner Initials *	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T ²
		BELKIN, B., S. J. Suchower and L. Forest, 1998, A one-parameter representation of credit risk and transition matrices, CreditMetrics Monitor, October: 46-56.	
		BELKIN et al., Measures of Credit Risk and Loan Value in KPMG's LAS, October 1997.	
		BRAND, L. and R. Bahar, 1998, "Recoveries on defaulted bonds tied to seniority rankings", Special Report Rating Performance 1997, Standard and Poor's, July.	
		COSSIN et al., "Advanced Credit Risk Analysis", (London: Wiley & Sons), 2001, Chapters: 2, 3, 5, 7, 14, 15 and 16.	
		CreditMetrics: The Benchmark for Understanding Credit Risk, Technical Document, 1997, New York, NY: JP Morgan, Inc.	
		DAS, S. and P. Tufano, 1996, "Pricing credit-sensitive debt when interest rates, credit ratings and credit spreads are stochastic", Journal of Financial Engineering, 5(2): 161-198.	
		DAS, S., (ed.), 1998, Credit Derivatives: Trading and Management of Credit and Default Risk (Wiley Frontiers in Finance), New York: John Wiley & Sons, Chapters: 1 and 2.	
		DUFFIE, D. and D. Lando, 1997, "Term structures of credit spreads with incomplete accounting information", Working paper, Graduate School of Business, Stanford University.	
		DUFFIE, D. and K. Singleton, 1999, "Modeling term structures of defaultable bonds", Review of Financial Studies, 12(4): 687-720.	
		EALES, R. and E. Bosworth, 1998, "Severity of loss in the event of default in small business and larger consumer loans", The Journal of Lending and Credit Risk Management, 80(9): 58-65.	
		GINZBURG, A., K. Maloney and R. Willner, "Debt Rating Migration and the Valuation of Commercial Loans", Citibank Portfolio Strategies Report, December 1994.	

RECEIVED

JUN 27 2002

Technology Center 2100

Examiner Signature	Date Considered

EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

¹ Unique citation designation number (optional). ² Applicant is to place a check mark here if English language Translation is attached.

Burden Hour Statement: This form is estimated to take 2.0 hours to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.



PTO/SB/08A (10-01)

Approved for use through 10/31/2002. OMB 0651-0031

U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number

Substitute for form 1449A/PTO

INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(use as many sheets as necessary)

Sheet

4

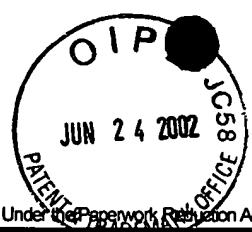
of

5

Attorney Docket Number

Complete if Known

Application Number	10/051,905
Filing Date	January 17, 2002
First Named Inventor	AGUAIS, Scott et al.
Group Art Unit	N/A
Examiner Name	N/A



PTO/SB/08A (10-01)

Approved for use through 10/31/2002. OMB 0651-0031

U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number

Substitute for form 1449A/PTO

INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(use as many sheets as necessary)

Sheet

5

of

5

Complete if Known	
Application Number	10/051,905
Filing Date	January 17, 2002
First Named Inventor	AGUAIS, Scott et al.
Group Art Unit	N/A
Examiner Name	N/A
Attorney Docket Number	D3398-00033CIP

OTHER PRIOR ART -- NON PATENT LITERATURE DOCUMENTS			
Examiner Initials *	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T ²
		LI, D., 2000, "On default correlation: a copula function approach", Journal of Fixed Income, 9(3).	
		LONGSTAFF, F. and E. Schwartz, 1995a, "Valuing credit derivatives", Journal of Fixed Income, 5(1): 6-14.	
		LONGSTAFF, F. and E. Schwartz, 1995b, "A simple approach to valuing risky fixed and floating rate debt" Journal of Finance, 50(3): 789-819.	RECEIVED
		LPC Gold Sheets, 2000a, "M&A deals", Loan Pricing Corporation, 14(23): 14.	JUN 27 2002
		LPC Gold Sheets, 2000b, "Investment grade deals", loan Pricing Corporation, 14(23): 8-9.	Technology Center 2100
		MADAN, D. and H. Unal, 1998, "Pricing the Risks of Default", Review of Derivatives Research, 2(2/3): 121-160.	
		MERTON, R., 1974, "On the Pricing of Corporate Debt: the Risk Structure of Interest Rates", Journal of Finance, 29: 449-470.	
		SHEARER, A. and L. Forest, 1998, "Improving Quantification of Risk-Adjusted Performance within Financial Institutions", Commercial Lending Review, 13(4): 48-58.	
		STEVENSON, B., 1996, "The Intrinsic Value of a Commercial Loan: Understanding Option Pricing", Commercial Lending Review, 11(4):4-22.	
		TAVAKOLI, J., 1998, Credit Derivatives: A Guide to Instruments and Applications, Wiley Series in Financial Engineering, New York: John Wiley & Sons, Chapters: 1, 2 and 3.	

Examiner Signature	Date Considered
--------------------	-----------------

EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

¹ Unique citation designation number (optional). ² Applicant is to place a check mark here if English language Translation is attached.

Burden Hour Statement: This form is estimated to take 2.0 hours to complete. Time will vary depending upon the needs of the individual case. Any comments on the amount of time you are required to complete this form should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, Washington, DC 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Assistant Commissioner for Patents, Washington, DC 20231.